

**DEPARTMENT OF STATE REVENUE**

**LETTER OF FINDINGS NUMBER: 98-0191P ST**  
**Sales and Use Tax**  
**For The Period: 1994-1996**

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**ISSUE**

**I. Tax Administration – Penalty**

Authority: IC 6-8.1-10-2.1 (d); 45 IAC 15-11-2

Taxpayer protests the imposition of the negligence penalty.

**STATEMENT OF FACTS**

Taxpayer, incorporated on August 30, 1962 under the Laws of Indiana was audited for the 1994, 1995, and 1996 calendar years.

**I. Tax Administration – Penalty**

**DISCUSSION**

At issue is whether the taxpayer was negligent in remitting tax due subjecting it to a penalty.

The taxpayer submitted an explanation on April 13, 1998 which indicates the company was unaware of the taxability of items controversial in nature.

Taxpayer is placed on notice to correct its records effective with this letter of findings.

Based on a review of the file, the Department finds that reasonable cause exists and hereby waives the penalty.

**FINDING**

The taxpayers protest is sustained.